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TAGS: [KFRD](#) [CVIS](#) [CPAS](#) [CMGT](#) [ASEC](#) [IC](#)

SUBJECT: Fraud Summary - Reykjavik: March to August 2009

11. SUMMARY: Iceland is a low-fraud country with no identifiable, consistent fraud patterns involving U.S. passports or visas. No significant changes or fraud trends were noted in Iceland during the reporting period March 1 to August 31, 2009. END SUMMARY.

COUNTRY CONDITIONS

12. Iceland, a stable democracy with a dynamic consumer economy, suffered an economic meltdown in October 2008. The banking sector collapsed and the Icelandic Government turned to the International Monetary Fund (IMF) for assistance. This was a marked change from the economic boom Iceland had experienced from several years of strong economic growth spurred by economic reforms, deregulation, and low inflation. Despite the recent economic collapse, Iceland is not generally characterized by social conditions which create widespread fraud. Iceland has a proportionally large foreign-born population of approximately 12 percent. This group consists of both naturalized Icelandic citizens and permanent residents. Integration into Icelandic society by non-native populations can vary widely depending on individual circumstances and factors such as language, culture, employment and housing. Iceland participates in the Visa Waiver Program (VWP) and most Icelandic citizens travel to the U.S. using their Machine Readable Passports (MRPs) and an approved Electronic System for Travel Authorization (ESTA). Most Icelandic passports and national IDs are machine-readable and Iceland started to produce bio-metric passports in 2006. Obtaining fraudulent birth certificates or other registry items is difficult since all records are computerized, centrally stored, and easy to verify.

NIV Fraud

13. NIV fraud is minimal in Iceland, and Post did not discover any confirmed cases of NIV fraud during this reporting period. Post pays careful attention to applicants seeking visas for extended visits, young Icelandic applicants applying for a B1/B2 (with the intention of working as baby sitters), "new Icelanders" (who only recently obtained Icelandic citizenship), third-country nationals resident in Iceland, and non-resident NIV applicants. During this reporting period, post received NIV applications from citizens from 39 countries. The most significant third country national groups are citizens of Poland and Russia.

14. Post receives approximately two I-275 "turnaround" reports from DHS each month, mainly for previous overstays on the Visa Waiver Program or evidence of intended illegal employment.

IV Fraud

15. Post did not uncover any cases involving IV fraud during this reporting period. The IV unit's main fraud concern is family based IV applications from third-country nationals with foreign birth, marriage and police certificates.

DV Fraud

16. Post did not uncover any cases involving DV fraud during this

reporting period. All DV winners in FY 2009 were Icelandic citizens and documents proving family relationships are easily verified by the Icelandic authorities.

ACS and U.S. Passport Fraud

¶7. U.S. passport fraud is minimal at post. False claims to U.S. citizenship and photo-substituted identification documents are the main fraud concerns in the ACS unit. Lost or stolen passport cases are frequent as the numbers of U.S. visitors to Iceland have steadily increased over the last five years. Local authorities are diligent about turning in found U.S. passports to the Consular Section.

Adoption Fraud

¶8. Post does not handle any adoption documents.

Use of DNA Testing

¶9. DNA testing is readily available and not susceptible to fraud. Socially, it is very common for Icelanders not to marry and a large percentage of children are born to unmarried parents. Icelandic authorities only require DNA tests when the father disputes paternity or the paternity of a child is unknown.

Asylum and Other DHS Benefits Fraud

¶10. Post did not uncover any cases involving asylum fraud during this reporting period. Iceland has a low asylum approval rate as all international flights to Iceland are from countries characterized as safe havens (USA, Western Europe, and Canada). Alien Smuggling, Trafficking, Organized Crime, Terrorist Travel

¶11. Iceland is a destination country and possibly a transit point for small numbers of alien traffickers and asylum seekers from the Baltic States, Eastern Europe, China, and Africa. A report published in September by the Icelandic Red Cross estimates that there were between 59 and 128 cases of human trafficking to Iceland in the past three years. Icelandic border authorities devote considerable attention to suspicious travelers from outside the Schengen Area, but are limited in their ability to detain citizens from Schengen countries for questioning.

DS Criminal Fraud Investigations

¶12. Post did not refer any cases to the Regional Security Office (RSO) for criminal investigations during this reporting period. The Consular Section and RSO maintain a strong working relationship.

Host Country Passport, Identity Documents and Civil Registry

¶13. Iceland issues biometric passports both domestically and overseas at their embassies and consulates. Icelandic documents are characteristically secure and easy to verify through a computerized record keeping system.

Cooperation with Host Government Officials

¶14. Cooperation between Post and the Icelandic authorities is excellent. The Consular Section has a particularly strong working relationship with the Border Police at Keflavik International Airport who have willingly allowed us to examine documents using their top of the line fraud detection equipment whenever we have requested it.

Ares of Particular Concern

¶15. Post pays careful attention to the increasing numbers of third-country nationals applying in Iceland. We have encountered attempts by immigration lawyers to avoid perceived rigorous adjudication procedures by flying in H1B and L applicants from other parts of the world for the sole purpose of having them apply for visas in Iceland in the expectation of fast and easy issuance. Post continues to discourage third country national first-time applicants from applying in Iceland.

Staffing and Training

¶16. Post has one consular assistant, Helga Magnusdottir, who is designated as the primary fraud prevention analyst, in addition to her normal ACS and IV duties. Helga attended a one-day training class on fraud prevention at Embassy Stockholm in May 2007. The sole consular officer at Post is the Fraud Prevention Manager. All four LES in the Consular Section are expected to be aware of fraud and report any possible cases to the Consular Officer.

¶17. For questions regarding fraud prevention at Embassy Reykjavik please contact Consular Officer Kristyna Rabassa - rabassakl@state.gov or 354-562-9100 x2287.

WATSON